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Caroline Pitt Clark
Commissioner

August 17, 2007

CERTIFICATE OF SERVICE

RE: Case No. 2007-00317
Green Hills Water District

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on August 17, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)
OF GREEN HILLS WATER DISTRICT) CASE NO. 2007-00317

O R D E R

On July 19, 2007, Green Hills Water District ("Green Hills") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure. KRS 278.015 and 807 KAR 5:068.

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Green Hills purchases water from the Pineville Utility Commission ("Pineville").
2. Pineville notified Green Hills that, effective with its June 1, 2007 billing, Pineville's wholesale water rate to Green Hills would increase from \$1.75 per 1,000 gallons to \$1.87 per 1,000 gallons. Green Hills proposes to increase the water rates to its customers effective August 25, 2007.
3. Green Hills proposed a purchased water adjustment factor of \$0.19 per 1,000 gallons. Due to a rounding error Green Hills miscalculated the purchased water adjustment factor.
4. During the 12 months ended April 30, 2007, Green Hills purchased a total of 31,511,180 gallons of water and sold 19,227,460 gallons. The increase in the cost of

purchased water is \$3,781.34, resulting in a purchased water adjustment factor of \$0.20 per 1,000 gallons.

5. The purchased water adjustment factor of \$0.20 per 1,000 gallons is fair, just, and reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Green Hills Water District are denied.
2. The purchased water adjustment factor of \$0.20 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services rendered on and after August 25, 2007.
4. Within 20 days of the date of this Order, Green Hills shall file with the Commission revised tariff sheets showing the rates approved herein.

Done at Frankfort, Kentucky, this 17th day of August, 2007.

By the Commission

ATTEST.



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00317 DATED August 17, 2007

	New Rate	Base Rate
Purchases in gallons	31,511,180	31,511,180
Volumetric rate	<u>\$ 1.87/1,000</u>	<u>\$ 1.75/1,000</u>
	\$58,925.90	55,144.57
		Increased water cost 3,781.34
Increased water cost		\$ 3,781.34
Divided by gallons sold		<u>19,227,460</u>
Purchased water adjustment factor		\$0.20 per 1,000 gallons

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00317 DATED August 17, 2007

The following rates and charges are prescribed for the customers in the area served by Green Hills Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES AND CHARGES

Monthly Water Rates- Green Hills Water District

First	2,000 gallons	\$ 21.96	Minimum Bill
Next	6,000 gallons	8.24	per 1,000 gallons
Over	8,000 gallons	6.68	per 1,000 gallons
Leak Adjustment		1.95	per 1,000 gallons
Wholesale Water Rate		2.74	per 1,000 gallons